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Attorneys for Plaintiff OMAR VEJAR

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF ORANGE

OMAR VEJAR, on behalf of himself and on
behalf of all persons similarly situated,

Plaintiffs,

vs.

FINELINE WOODWORKING, INC., a
California Corporation, FINELINE
ARCHITECTURAL MILLWORK, INC., a
California Corporation; and DOES 1-50,
Inclusive,

Defendants.

Case No. 30-2021-01208607-CU-OE-CXC

**DECLARATION OF JEAN-CLAUDE
LAPUYADE, ESQ., IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Dept.: CX105
Judge: Randall J. Sherman

Date: April 15, 2022
Time: 10:00 A.M.
Reservation ID: 73712866

1 I, Jean-Claude Lapuyade, Esq., declare as follows:

2 1. I am over eighteen years of age and if called as a witness, I could and would
3 competently testify to the following facts from my own personal knowledge. I am an attorney-at-
4 law and the owner of the law firm of JCL LAW FIRM, APC (hereinafter “Class Counsel”). I am
5 counsel of record for Plaintiff OMAR VEJAR, (hereafter “Plaintiff”) in this wage and hour class
6 action filed against FINELINE WOODWORKING, INC. and FINELINE ARCHITECTURAL
7 MILLWORK, INC., (hereinafter collectively “Defendants”).

8 2. This declaration is being submitted in support of Plaintiff’s Motion for Preliminary
9 Approval of Class Action Settlement.

10 **I. EXHIBITS**

11 3. Attached hereto as **Exhibit “1”** is a true and correct copy of the fully executed
12 Stipulation for Settlement of Class and PAGA Action Claims and Release of Claims (“Agreement”
13 or “Settlement Agreement”). Attached as **Exhibit “A”** to the Agreement is a true and correct copy
14 of the proposed Class Notice. Attached as **Exhibit “B”** to the Agreement is a true and correct copy
15 of the proposed Request for Exclusion Form.

16 4. Attached hereto as **Exhibit “2”** is a true and correct copy of the proof of filing with
17 the Labor and Workforce Development Agency notice of this settlement with the Settlement
18 Agreement and Motion for Preliminary Approval of Class Action Settlement evidencing Class
19 Counsel’s compliance with California Labor Code Section 2699(l)(2).

20 **II. INTRODUCTION**

21 5. An objective evaluation of the Settlement confirms that the relief negotiated on
22 behalf of the Class is fair, reasonable, and valuable. The Settlement was negotiated by the Parties
23 at arm’s length. The Settlement confers substantial benefits to the Class. The relief offered by the
24 Settlement is particularly impressive when viewed against the difficulties encountered by plaintiffs
25 pursuing wage and hour cases (*see infra*). Indeed, by settling now rather than proceeding to trial,
26 Class Members will not have to wait (possibly years) for relief, nor will they have to bear the risk
27 of class certification being denied or of Defendants prevailing at trial. The entire Net Settlement
28 Amount will be paid to all Settlement Class Members who do not opt out of the Settlement Class

1 resulting in an average Individual Settlement Share of **\$716.22** (Net Settlement Amount divided by
2 Settlement Class Members).

3 6. As discussed below, the proposed Settlement satisfies all criteria for preliminary
4 settlement approval under California law and falls within the range of reasonableness. The average
5 Individual Settlement Share to the Settlement Class meets or exceeds awards in similar wage and
6 hour class actions. Moreover, the proposed Class is appropriate for provisional certification.
7 Accordingly, Plaintiff respectfully requests that this Court grant preliminary approval of the
8 Settlement.

9 **III. FACTS AND PROCEDURE**

10 **A. Overview of the Litigation**

11 7. Defendants are California corporations that provide complete interior finish
12 carpentry packages to builders, designers, and homeowners, including in Orange County,
13 California, where Plaintiff worked.

14 8. Plaintiff worked for Defendants as an hourly, non-exempt employee between
15 September of 2019 and July of 2020. Plaintiff worked as a driver and shop worker. As part of his
16 job duties, Plaintiff was responsible for traveling to various job sites in order to deliver merchandise
17 for Defendants' clientele. At all times during his employment, Plaintiff earned an hourly wage, and
18 was entitled to legally compliant meal and rest periods, and minimum, regular, and overtime wages
19 for all hours worked. As a non-exempt employee, Plaintiff was subject to Defendants' written
20 policies and procedures and general employment practices.

21 9. Generally, Plaintiff claims that Defendants failed to pay him and the Class Members
22 for all hours worked, failed to provide compliant meal and rest periods, failed to provide accurate
23 itemized wage statements, failed to reimburse mandatory business expenses, and failed to pay all
24 wages due at the time of his separation. Defendants deny liability for each of Plaintiff's claims.
25 Defendants assert that they fully complied with all applicable employment laws. Defendants assert
26 that they had clear, compliant policies and procedures for taking rest and meal periods. Defendants
27 raised several other significant defenses to Plaintiff's claims, including but not limited to, lack of
28 any evidence of overtime and minimum wage violations.

1 10. On April 23, 2021, Plaintiff served Defendants and the Labor and Workforce
2 Development Agency (“LWDA”) with a Notice of Violations (“PAGA Notice”). Plaintiff’s PAGA
3 Notice set forth the facts and theories supporting Defendants’ alleged violations of various
4 provisions of the California *Labor Code* and applicable Industrial Welfare Commissions (“IWC”) *Wage Order* and of his intent to pursue claims under the California *Labor Code* Private Attorneys
5 General Act, Sections 2698 et seq (“PAGA”).

7 11. On June 29, 2021, Plaintiff filed a class action complaint in the Orange County
8 Superior Court for: (1) Unfair Competition in Violation of *Bus. and Prof. Code* §§ 17200; (2)
9 failure to pay minimum wages in violation of California *Labor Code* sections 1194, 1197 and
10 1197.1; (3) failure to pay overtime wages in violation of California *Labor Code* sections 510 et
11 seq.; (4) failure to provide required meal periods in violation of California *Labor Code* sections
12 226.7 and 512; (5) failure to provide required rest periods in violation of California *Labor Code*
13 sections 226.7 and 512; (6) failure to provide accurate itemized wage statements in violation of
14 California *Labor Code* section 226; (7) failure to reimburse employees for required expenses in
15 violation of California *Labor Code* section 2802; (8) failure to provide wages when due in violation
16 of California *Labor Code* sections 201, 202, and 203; and (9) violations of the Private Attorneys
17 General Act (“PAGA”).

18 12. Plaintiff prepared written discovery to Defendants, and after serving the discovery,
19 the Parties agreed to mediate this action, as deemed in the best interest of the parties, in particular
20 in light of the many anticipated factual disputes. To prepare for mediation, the Parties agreed to
21 informally produce certain documents and data points subject to the mediation privilege, including
22 but not limited to, a sample of the Class Members’ time and payroll data. As discussed *infra*,
23 Plaintiff’s counsel retained the Berger Consulting Group, to analyze Defendants’ time and payroll
24 data.

25 13. On January 26, 2022, the Parties participated in a full day mediation with Hon. Carl
26 J. West (Ret.), a respected jurist experienced in wage and hour class and PAGA actions. After arms-
27 length negotiations and bargaining, the mediation concluded with a settlement, after both sides
28 agreed to a Mediator’s proposal which was subsequently memorialized in the form of a

1 Memorandum of Understanding (“MOU”). Thereafter, the parties drafted and negotiated a long-
2 form settlement agreement, which is the subject of the instant motion.

3 **B. Class Counsel Thoroughly Investigated the Factual and Legal Issues**

4 14. Months before filing the Action, Class Counsel began its pre-filing investigation into
5 Plaintiff’s complaints. Class Counsel’s investigation started with several lengthy interviews with
6 Plaintiff. As part of the interview process, Plaintiff produced documents related to his employment
7 for Defendants, including portions of Defendants’ handbooks, compensation policies and time and
8 payroll records. At the conclusion of the interviews, Class Counsel determined that Plaintiff’s
9 complaints justified further inquiry.

10 15. Class Counsel subsequently requested Plaintiff’s employee file from Defendants. In
11 response, Defendants produced hundreds of pages of documents, including but not limited to,
12 copies of Plaintiff’s hiring documents, payroll and time records, performance reviews, and
13 separation documents. Class Counsel reviewed and analyzed the documents and determined the
14 documents appeared to substantiate Plaintiff’s claim that Defendants failed to, among other things,
15 pay for all time worked and to provide compliant meal and rest periods. Shortly thereafter, Class
16 Counsel initiated the actions which are before the Court now.

17 16. In light of the many anticipated factual disputes, the parties agreed early in the
18 litigation that it would be in the best interest of both parties to mediate the matter. To prepare for
19 mediation, Class Counsel requested documents and data points to further evaluate Plaintiff’s claims
20 and Defendants’ liability exposure to the Class Members. In response to Class Counsel’s request,
21 Defendants produced the time and payroll records for the Class Members, and aggregate workweek
22 and pay period data for the Settlement Class. In total, Defendants produced approximately 5,532
23 pages containing unique time and payroll data for Class Counsel to analyze.

24 17. Class Counsel then retained the statisticians and economists at Berger Consulting
25 Group (“BCG”), to evaluate the Class Members’ payroll and time data. BCG provides data analysis
26 and damage modeling consulting services specializing in wage and hour class actions. BCG’s team
27 of financial and data analysts are credentialed and experienced experts in their fields and have
28

1 provided their expertise on thousands of cases. Stated differently, the BCG is uniquely qualified
2 to analyze Defendants' time and payroll data.

3 18. BCG analyzed Defendants' time and payroll data to assist in the development of
4 various damage models. Among other things, BCG determined the approximate number of work
5 shift, work weeks, pay periods, average rate of pay, average length of shift and average number of
6 hours worked per week and pay period during the Class Period. BCG also estimated the number
7 of missed or late meal and rest periods, the amount of paid missed meal period premiums paid
8 during the Class Period.

9 19. In advance of mediation, Class Counsel created a damage model predicated on BCG
10 analysis. Class Counsel's model calculated Defendants' potential liability exposure while
11 accounting for the uncertainties of continued litigation. This damage model informed and guided
12 Class Counsel during the mediated settlement discussions.

13 20. Overall, Class Counsel thoroughly investigated the claims at issue, including: (1)
14 determining Plaintiff's suitability as a putative class representative through interviews, background
15 investigations, and analysis of his employment file; (2) evaluating all of Plaintiff's potential
16 claims; (3) researching similar wage and hour class actions as to the claims brought, the nature of
17 the positions, and the type of employer; (4) analyzing the Class Members' time and payroll records;
18 (5) analyzing Defendants' labor policies and practices; (6) researching settlements in similar cases,
19 as well as outstanding issues which could affect settlement approval; (7) evaluating Plaintiff's
20 claims and estimating Defendants' liability for purposes of settlement; (8) drafting the mediation
21 brief and (9) participating in the mediation. This investigation allowed Class Counsel to fully
22 assess the nature and magnitude of the claims being settled, as well as the impediments to recovery,
23 such as to make an independent assessment of the reasonableness of the terms to which the parties
24 have agreed.

25 **C. The Parties Settled at Mediation**

26 21. On January 26, 2022, the Parties participated in mediation presided over by Hon.
27 Carl J. West (Ret.), a respected jurist experienced in wage and hour class and PAGA actions. Judge
28 West helped to manage the Parties' expectations and provided a useful, neutral analysis of the

1 issues and risks to both sides. The Parties made substantial progress with Judge West's assistance.
2 Namely, the parties exchanged information regarding their respective claims and defense, including
3 their respective evaluation of the damages. After nearly eight hours of arm's length and adversarial
4 negotiations, the mediation concluded with a settlement after both sides agreed to Judge West's
5 proposal, which was memorialized in the form of a Memorandum of Understanding. Thereafter,
6 the parties drafted and negotiated a long-form settlement agreement, which is the subject of the
7 instant motion. Class Counsel submits that the Settlement constitutes a fair, adequate, and
8 reasonable compromise of the claims at issue.

9 22. At all times, the Parties' negotiations were at an arm's length, adversarial and non-
10 collusive. The mediation concluded with a settlement, after both sides agreed to a Mediator's
11 proposal which was subsequently memorialized in the form of a Memorandum of Understanding
12 ("MOU"). Judge West only arrived at his proposal after hearing arguments, reviewing evidence,
13 and evaluating the Parties' respective claims and defenses.

14 23. Once the Parties agreed to the Mediator's proposal, the Parties engaged in protracted
15 negotiations regarding the written terms of the class action settlement. The Parties maintained the
16 arm's length, non-collusive and adversarial negotiations while arriving at the final terms of the
17 Settlement. The Agreement is the final product of these mediated negotiations. Objectively, the
18 Settlement terms are fair, adequate, and represent a reasonable compromise of the claims at issue.
19 Class Counsel only agreed to enter the Settlement following their thorough investigation and
20 evaluation of Plaintiff's claims. Based on their investigation of the facts, applicable law, and
21 marketplace for similar settlements, and in light of the risk of significant delay, uncertainty
22 associated with litigation, and the various defenses asserted by Defendants, Class Counsel firmly
23 believe this Agreement to be in the best interests of the Class. Because the Settlement's terms are
24 fair, reasonable, and adequate, the Court should preliminarily approve the Settlement.

25 **IV. ARGUMENT**

26 **A. The Court Should Preliminarily Approve the Settlement**

27 24. The Gross Settlement Amount of \$264,000.00 is fair and reasonable, considering the
28 nature and magnitude of the claims being settled and the various factual and legal issues in dispute

1 and potential impediments to recovery. Prior to mediation, Class Counsel retained BCG to develop
2 varied economic damages models measuring Defendants' liability exposure while accounting for
3 the uncertainties of continued litigation. The various models were informed by Class Counsel's
4 investigation, including the analysis of time and payroll data. Class Counsel projected Defendants'
5 liability exposure for the Class for *damages* to be approximately \$1,858,112, and liability exposure
6 for damages and penalties (excluding PAGA penalties) to be \$2,554,612 ("Damages Model"), if
7 successful at trial. This reflects the uncertainty regarding several of Plaintiff's claims, together with
8 the uncertainty surrounding derivative liability for inaccurate wage statements and waiting time
9 penalties resulting from meal and rest period violations. Thus, the Gross Settlement Amount of
10 \$264,000.00 represents approximately 14.2% of Defendants' liability exposure for damages, and
11 10.3% of Defendants' liability exposure for damages and penalties, as estimated by Class Counsel
12 at the time of mediation. The following summarizes Defendants' estimated exposure if Plaintiff
13 was to prevail.

14 (1) Estimated Damages for Meal Period Violations

15 25. Plaintiff alleges that Defendants failed to provide compliant meal periods.
16 Specifically, Plaintiff alleges that as a result of their rigorous work schedules, Plaintiff and the
17 Class Members were not able to take timely and duty-free meal periods. Consequently, Plaintiff
18 alleges that he is owed meal period premiums for non-compliant meal periods for every day during
19 that time period.

20 26. Defendants have denied these claims. Defendants maintain that they fully complied
21 with California meal period laws and maintained legally compliant policies and practices. Courts
22 have found that where an employer's meal period policies are compliant, individualized issues exist
23 as to the reasons for missed, late or truncated meal periods. *See e.g. Lampe v. Queen of the Valley*
24 *Medical Center*, (2018) 19 Cal.App.5th 832, 851, (holding that although only 11.1% of the
25 employees' time punches for meal periods were within the first 5 hours, the claim was not certifiable
26 because individualized issues existed as to the reasons for the late meal periods). If successful,
27 Defendants availed themselves to a complete defense of Plaintiff's meal period claim. Defendants
28 further argued that they had a written policy which required a waiver of Plaintiff's second meal

1 period to be in writing. Finally, Defendants argued that they occasionally paid meal period
2 premiums when missed, late, or truncated meal periods were reported. Again, if successful,
3 Defendants availed themselves to a complete defense of Plaintiff's meal period claim. Plaintiff
4 estimated the exposure for this claim to be approximately **\$361,838**, if substantiated.

5 (2) Estimated Damages for Rest Period Violations

6 27. Plaintiff also alleged that Defendants failed to provide compliant rest periods.
7 Specifically, this claim assumed an unlikely 100% violation rate based on Defendants' alleged
8 policy requiring employees to remain on the premises during their rest breaks. Again, Defendants
9 denied liability and asserted that they maintained legally compliant rest period policies and
10 practices at all times throughout the Class Period. Moreover, Plaintiff recognizes the evidentiary
11 burdens establishing this claim. Establishing Plaintiff's rest period claim would rely, almost
12 entirely, on Class Member testimony, making it a riskier claim at class certification and liability
13 stages. Defendants likely would have argued that only a small number of Class Members actually
14 missed their rest breaks. Certification likely would have required depositions of Class Members
15 who provided declarations, and Defendants surely would have obtained opposing declarations
16 stating either rest breaks were taken, or rest breaks were voluntarily waived. *See, e.g., Ordonez v.*
17 *Radio Shack, Inc.* (C.D. Cal. Jan. 17, 2013) 2013 WL 210223, at *11 ("Because of the competing
18 testimony before the Court, plaintiff's evidence that defendant may have an illegal, written rest
19 break policy is insufficient for this Court to find that common issues predominate."); *Villa v. United*
20 *Site Servs. of California, Inc.* (N.D. Cal. Nov. 13, 2012) 2012 WL 5503550, at *8 ("Indeed,
21 Plaintiff's own evidence confirms that the written policy does not generate uniform practices.").
22 Accordingly, the rest break claim was subject to significant defenses. If successful, Defendants
23 availed themselves to a complete defense of Plaintiff's rest period claim. Plaintiff estimated the
24 exposure for this claim to be approximately **\$1,239,520**, if substantiated. Importantly, this amount
25 is based on an unlikely assumption of a 100% violation rate.

26 (3) Defendant's Estimated Exposure for Unpaid Minimum Wages

27 28. Plaintiff alleged that Defendants subjected him and other employees to mandatory
28 pre-shift COVID screenings, which were done off-the-clock. Specifically, Defendants'

1 managers/supervisors required employees to undergo mandatory COVID-19 screenings *before*
2 being allowed to begin their shift. Defendants argued, however, that those screenings were not
3 always off-the-clock. Similarly, Plaintiff and Class Members performed work off-the-clock for
4 which they were not compensated. Specifically, Plaintiff and Class Members had to help load
5 and unload delivery trucks before and after clocking in or out. Again, Defendants vigorously
6 denied any liability for this claim. Plaintiff estimated the exposure for this claim to be
7 approximately **\$256,754**, if substantiated.

8 (4) Exposure for Wage Statement Violations and Waiting Time Penalties

9 29. Generally, Plaintiff alleges that Defendants' aforementioned violations resulted in
10 derivative violations of California *Labor Code* sections 203 and 226(a). Class Counsel considered
11 the arguable presence of various penalties and weighed the potential recoveries against probable
12 defenses. Specifically, Defendants could argue that Plaintiff could not prove the "willful" prong
13 needed to obtain waiting time penalties under *Labor Code* § 203. Additionally, Defendants could
14 argue that Plaintiff could not show that Class Members suffered an "injury" because of wage
15 statement violations, as required by *Labor Code* § 226. Defendants could also argue that that
16 meal and rest period violations do not entitle employees like Plaintiff and the Class Members to
17 pursue the derivative waiting time and itemized wage statement penalties. (*See Naranjo v.*
18 *Spectrum Security Services, Inc.*, (2019) 40 Cal. App. 5th 444 (review granted); *Maldonado v.*
19 *Epsilon Plastics, Inc.* (2018) 22 Cal. App. 5th 1308.) Although the Class arguably could have
20 seen a significant payout for these penalties if Plaintiff prevailed on every penalty claim, Plaintiff
21 would not recover any derivative penalties if he failed to prove the underlying claims. Moreover,
22 Plaintiff would have to overcome damaging precedent to prove the Class deserved the penalties.
23 *See, e.g., Howard v. CVS Caremark Corp.*, 2014 U.S. Dist. LEXIS 172406 (C.D. Cal. Dec. 9,
24 2014) (denying class certification for the same penalty claims); *Alonzo v. Maximus, Inc.*, 832 F.
25 Supp. 2d 1122, 1134-1137 (C.D. Cal. 2011) (finding insufficient evidence of bad faith or actual
26 injury). Plaintiff could not give the penalty claims great weight given that they depended on
27 proving the underlying claims, which according to Defendants were not supported by the facts.
28 Nevertheless, Plaintiff estimated the potential exposure for these claims, if substantiated, to be

1 approximately **\$696,500** (\$466,900 for waiting time penalties and \$229,600 for wage statement
2 penalties).

3 (5) Total Damages and Penalties

4 30. In conclusion, the settlement of \$264,00.00 represents approximately 14.2% of the
5 value of the maximum potential *damages* at issue. Even when including the penalties for Plaintiff's
6 claim for wage statement violations and waiting time penalties under *Labor Code* Sections 203 and
7 226, the settlement represents up to 10.3% of the maximum potential liability, assuming all of these
8 amounts could be proved at trial. This is well within the bounds of reasonableness. (See *Viceral v.*
9 *Mistras Grp., Inc.* (N.D. Cal. 2016) 2016 WL 5907869, at *3, 7 (approving a California wage and
10 hour settlement where the class received 11.6% of the estimated total liability); *Leverage v. Traeger*
11 *Pellet Grills, LLC* (N.D. Cal. 2017) 2017 WL 2797811, at *7 (Approving a California wage and
12 hour settlement where the class received 18% of the estimated total liability); *Stovall-Gusman v.*
13 *W.W. Granger, Inc.*, (N.D. Cal. 2015) 2015 WL 3776765 at * 4 (Approving California wage and
14 hour misclassification settlement where the class received approximately 7.3% of the estimated
15 trial award was within the "range of reasonableness.")

16 (6) Defendant's PAGA Exposure

17 31. Class Counsel's damage models also estimated Defendants' exposure for PAGA
18 penalties arising from the aforementioned violations. At the time of mediation, Plaintiff estimated
19 Defendants' PAGA exposure to be approximately \$1,659,200. Under PAGA, Courts have
20 considerable discretion to reduce the penalty award. In *Fleming v. Covidien*, 2011 U.S. Dist. LEXIS
21 154590 (C.D. Cal. 2011), a federal court reduced PAGA penalties from \$2,800,000 to \$500,000, a
22 reduction of 82.2%, because the court found maximum penalties "unjust" because the employees
23 had suffered no injuries. Some trial courts have actually awarded no civil penalties, even when
24 *Labor Code* violations are established. See also *In re Nordstrom Com. Cases*, 186 Cal.App.4th 576,
25 589 (2010) (affirming an award of \$0 in PAGA penalties in a wage and hour class action); *In re*
26 *Taco Bell Wage & Hour Actions*, 2016 U.S. Dist. LEXIS 48557, *40-43 (E.D. Cal. Apr. 6, 2016)
27 (PAGA penalties denied after trial). In order to recover any PAGA penalties, Plaintiff would be
28 required at trial to prove each of the underlying *Labor Code* violations. See *Cardenas v. McLane*

1 *Foodservice, Inc.*, 2011 U.S. Dist. LEXIS 13126, *10 (C.D. Cal. 2011) ("Given the statutory
2 language [of PAGA], a plaintiff cannot recover on behalf of individuals whom the plaintiff has not
3 proven suffered a violation of the Labor Code by the defendant."). Here, Plaintiff would need to
4 prove that each Aggrieved Employee suffered a violation for each pay period the employee worked.
5 Again, Defendants raised several defenses that presented serious threats to the claims of the
6 Plaintiff and the Aggrieved Employees. Defendants asserted that the employment practices
7 complied with all applicable Labor Laws. In addition to those arguments discussed *supra*,
8 Defendants also argued that the Court of Appeals decision in *Cacho v. Eurostar, Inc.* (2019) 43
9 Cal.App.5th 885, weakened Plaintiff's claims, on liability, value, and manageability as to the rest
10 period claims. In all, Plaintiff's PAGA liability exposure is hotly contested.

11 **B. Risks of Continued Litigation**

12 32. Plaintiff is confident about the strength of his claims. Nonetheless, Plaintiff
13 recognizes that Defendants have factual and legal defenses that, if successful, would potentially
14 defeat or substantially impair the value of Plaintiff's lawsuit. Collectively, the examples cited
15 above illustrate the uncertain nature of class litigation. Consequently, the uncertainty of obtaining
16 certification through a contested motion is a significant risk factor favoring settlement.

17 33. Finally, continuing to litigate this action would require continued and extensive
18 resources coupled with significant Court time to proceed through trial and post-trial motions; which
19 can often take years. Furthermore, wage and hour litigations are complex and expensive, as it often
20 necessitates extensive expert testimony, particularly with regards to damages. But even if Plaintiff
21 is successful at trial, Plaintiff is acutely aware that a judgment does not end the litigation. Plaintiff
22 fully expects that Defendants would appeal any favorable judgment.

23 34. In this matter, Class Counsel negotiated a Gross Settlement Amount of \$264,000 that
24 is roughly **14.2%** of Defendants' maximum liability exposure for damages, and up to **10.3%** when
25 including wage statement and waiting time penalties. Given the amount of the settlement here, as
26 compared to potential value of the claims, offset by the various inherent risks to continued
27 litigation, the settlement is fair and reasonable.

28 ///

1 **C. Proposed Notice Informs the Class About the Case and Settlement**

2 35. The Parties jointly drafted the Class Notice which fairly and neutrally informs the
3 Class of their rights and remedies in this action. The Settlement Administrator will first verify
4 addresses, then mail the proposed Class Notice to entire Class. The Notice will include information
5 regarding the nature of the lawsuit, a summary of the substance of the Settlement's terms, the class
6 definition, the procedure and time period within which to requests for exclusions or objections to
7 the Settlement, the date for the final approval hearing, the formula used to calculate settlement
8 payments, and the terms and scope of the Released Claims. This method was negotiated by the
9 Parties to ensure delivering the most reasonable method of notice to the Class while ensuring cost
10 effective administration of the Settlement.

11 36. Accordingly, both the method of disseminating the Class Notice and content of the
12 Class Notice satisfy due process and the requirements of California law.

13 **D. The Court Should Preliminarily Approve the Enhancement Award**

14 37. Approximately 185 members of the Class will share in the estimated \$132,500 Net
15 Settlement Amount due entirely to the effort and commitment of Plaintiff. Subject to Court
16 approval, therefore, the Settlement provides for a Class Representative Service Award of \$10,000¹

17
18 ¹ The amount of the requested enhancement payment-\$10,000-is reasonable by reference to the
19 amounts that California courts (both federal and state) have repeatedly found to be reasonable for
20 wage and hour class action settlements: *See Baker v. LA. Fitness Int'l, LLC*, No. BC438654 (L.A.
21 County Super. Ct. Dec. 12, 2012) (awarding \$10,000 enhancement payments to three of the named
22 plaintiffs); *Blue v. Codwell Banker Residential Brokerage Co.*, No. BC417335 (L.A. County Super.
23 Ct Mar. 21, 2011) (awarding \$10,000 enhancement payment); *Buckmire v. Jo-Ann Stores, Inc.*, No.
24 BC394795 (L.A. County Super. Ct. June 11, 2010) (awarding \$10,000 enhancement payments to
25 the named plaintiff); *Coleman v. Estes Express Lines, Inc.*, No. BC429042 (LA. County Super. Ct.
26 Oct. 3, 2013) (awarding \$10,000 enhancement payment); *Ethridge v. Universal Health Services,*
27 *Inc.*, No. BC391958 (L.A. County Super. Ct. May 27, 2011) (awarding \$10,000 enhancement
28 payment); *Hickson v. South Coast Auto Insurance Marketing, Inc.*, No. BC390395 (L.A. County
Super. Ct. Mar. 27, 2012) (awarding \$10,000 enhancement payment); *Hill v. Sunglass Hut Int'l,*
Inc., No. BC422934 (L.A. County Super. Ct. July 2, 2012) (awarding \$10,000 enhancement
payments to the named plaintiffs); *Kabamba v. Victoria's Secret Stores. LLC*, No. BC368528 (L.A.
County Super. Ct. Aug. 19, 2011) (awarding enhancement payments of \$ 10,000 to the named
plaintiffs along with additional compensation for their general release of claims); *Magee v.*
American Residential Services, LLC, No. BC423798 (LA. County Super. Ct Apr. 21, 2011)
(awarding \$15,000 enhancement payment); *Mares v. BFS Retail & Commercial Operations, LLC*,
No. BC375967 (L.A. County Super. Ct. June 24, 2010) (awarding \$15,000 enhancement payments
to the named plaintiffs); *Nevarez v. Trader Joe's Co.*, No. BC373910 (LA. County Super. Ct. Jan.
29, 2010) (awarding \$10,000 enhancement payment); *Ordaz v. Rose Hills Mortuary, LP.*, No.
(footnote continued)

1 for Plaintiff. The service award is fair and reasonable compensation for Plaintiff's efforts bringing
2 the action, assisting Class Counsel with the litigation and settlement, regularly conferring with
3 Class Counsel on the status of his case and the strategies for prosecuting the claims, reviewing the
4 proposed Settlement to ensure that its terms are fair and provide adequate relief for the Class, and
5 agreeing to provide Defendants a general release of all claims arising out of his employment.

6 38. Class Counsel on behalf of Plaintiff will file a formal motion for the negotiated Class
7 Representative Service Award once preliminary approval of the Settlement is granted. Plaintiff
8 respectfully submits that the above showing is sufficient for preliminary approval of the negotiated
9 Class Representative Service Award.

10 **E. The Court Should Preliminary Approve the Negotiated Class Counsel Award**

11 39. Class Counsel took this matter on a contingency fee basis and invested significant
12 time and expense successfully prosecuting Plaintiff's claims. As discussed *supra*, the estimated
13 average Individual Settlement Share illustrates the demonstrably positive outcome for the Class
14 Members. The Agreement provides for a Class Counsel Award in the amount of one-third of the
15 Gross Settlement Amount and litigation costs and expenses not to exceed \$15,000. Agreement at

16
17 BC386500 (L.A. County Super. Ct. Mar. 19, 2010) (awarding 10,000 enhancement payments to the
18 named plaintiffs); *Sheldon v. AHMC Monterey Park Hospital LP*, No. BC440282 (L.A. County
19 Super. Ct. Feb. 22, 2013) (awarding \$10,000 enhancement payment); *Silva v. Catholic Moray*
20 *Services, Inc.*, No. BC408054 (L.A. County Super. Ct. Feb. 8, 2011) (awarding \$10,000
21 enhancement payments to the named plaintiffs); *Weisbarth v. Banc West Investment Services, Inc.*,
22 No. BC422202 (L.A. County Super. Ct. May 24, 2013) (awarding \$10,000 enhancement payment);
23 *Zamora v. Balboa Life & Casualty LLC*, No. BC360026 (L.A. County Super. Ct. Mar. 7, 2013)
24 (awarding \$25,000 enhancement payments to the named plaintiffs); *Acheson v. Express, LLC*, No.
25 109CV135335 (Santa Clara County Super. Ct. Sep. 13, 2011) (awarding \$10,000 enhancement
26 payment); *Aguilar v. Cingular Wireless, LLC*, No. CV 06-8197 DDP (AJWx) (C.D. Cal. Mar. 17,
27 2011) (awarding \$14,767 enhancement payment); *Bejarano v. Amerisave Mortgage Corp.*, No.
28 EDCV 08-00599 SGL (Opx) (C.D. Cal. June 22, 2010) (awarding \$10,000 enhancement payment);
Carbajal v. Sally Beauty Supply LLC, No. CIVVS 1004307 (San Bernardino Super. Ct. Aug. 6,
2012) (awarding \$10,000 enhancement payments to the named Plaintiffs); *Contreras v. Serco Inc.*,
No. 10-cv-04526-CAS-JEMx (CD. Cal. Sep. 10, 2012) (awarding \$10,000 enhancement payment);
Guerrero v. R.R. Donnelley & Sons Co., No. RIC 10005196 (Riverside Super. Ct. July 16, 2013)
(awarding \$10,000 enhancement payment); *Kisliuk v. ADT Security Services, Inc.*, No. CV08-0324
DSF (RZx) (C.D. Cal. Jan. 10, 2011) (awarding \$10,000 enhancement payment); *Morales v. BCBG*
Maxaria Int'l Holdings, Inc., No. JCCP 4582 (Orange County Super. Ct. Jan. 24, 2013) (awarding
\$10,000 enhancement payment); and *Barrett v. Doyon Security Services, LLC*, Nos. BS900199,
BS900517 (San Bernardino County Super. Ct. Apr. 23, 2010) (awarding \$10,000 enhancement
payment).

1 §III(M)(10). In light of the positive outcome for the Class, and in light of the supporting authority,
2 the proposed Class Counsel award is fair and reasonable.

3 40. Plaintiff will file a formal motion for the negotiated Class Counsel Award once
4 preliminary approval of the Settlement is granted. Plaintiff respectfully submits that the above
5 showing is sufficient for preliminary approval of the negotiated attorneys' fees.

6 **F. The Court Should Provisionally Certify the Settlement Class**

7 41. For the purpose of Settlement only, Plaintiff contends, and Defendants do not
8 dispute, that provisional certification of the Class is appropriate.

9 42. Generally, the proposed Class consists of all of Defendants' current and former non-
10 exempt California employees during the Class Period. Defendants' records show that the
11 Settlement Class Members consists of approximately 185 individuals, making joinder of all
12 Settlement Class Members impracticable. Further, because all Class Members are Defendants'
13 current and former non-exempt employees, the class is readily ascertainable from Defendants'
14 regular business records, i.e., payroll records.

15 43. The California statutes relating to each of Plaintiff's claims apply with equal force
16 and effect to the entire Class. Factually, Defendants' policies and practices apply class-wide and
17 Defendants' liability can be determined by facts common to all members of the class. While
18 Defendants dispute whether the class would be appropriate if the litigation were to continue, they
19 agree to class certification for purposes of this settlement only. The wage and hour issues are both
20 numerous and substantial, and a class action is the most advantageous method of dealing with the
21 claims of the Class.

22 44. Plaintiff's wage and hour claims are typical of the proposed Class because they arise
23 from the same factual basis and are based on the same legal theories applicable to the other Class
24 Members. Likewise, Plaintiff's interests are entirely coextensive with the interests of the Class.
25 Plaintiff alleges that he was injured by the same company-wide practices to which the proposed
26 Class was subject and seeks the same relief. Plaintiff has already demonstrated his ability to
27 advocate for the interests of the Class by initiating this litigation, undertaking class discovery, and
28 evaluating the proposed settlement to assure that it is fair. Again, the Defendants dispute whether

1 Plaintiff's claims are typical of the Class for purposes of any continued litigation of the Action, but
2 agree for the purposes of this settlement only that Plaintiff asserts claims that are typical of the
3 Class, including claims for meal and rest break practices and unpaid wages.

4 45. Additionally, Plaintiff is represented by competent Class Counsel who has extensive
5 experience in litigating wage and hour class action cases. Class Counsel successfully briefed,
6 argued, certified, and gained state court settlement approval of the same class-wide causes of action
7 that are at issue in this case. Class Counsel's wage and hour class action experience establishes that
8 they are well qualified to represent the interests of this Class.

9 46. A class action is superior to a multitude of individual lawsuits. Given the size and
10 amount of each individual Class Member's claim, Class Members likely have little incentive to
11 litigate their claims on an individual basis because the out-of-pocket expense and personal
12 commitment necessary to litigate each claim outweighs any potential recovery. In sum, class
13 treatment is superior to individual, case-by-case adjudication.

14 **F. Class Counsel's Experience**

15 47. Plaintiff, the Class Members and the Aggrieved Employees are represented by
16 competent and experienced counsel to pursue their claims. I established the JCL Law Firm, APC
17 ("Firm"), in 2010. The Firm is a boutique plaintiff firm representing aggrieved employees and
18 consumers throughout California in wage and hour class actions, PAGA Actions and complex
19 multi-party product liability matters. The Firm currently consists of myself, Jean-Claude Lapuyade,
20 Esq. (Partner/Owner), Tesla Stone (Paralegal), Leilani Edmonds (Legal Secretary), Amanda
21 Rasmussen (Law Clerk).

22 48. I am qualified to represent the Plaintiff, the State of California and the Aggrieved
23 Employees. I have extensive experience with wage and hour class and representative actions
24 litigation like this matter, and employment matters in general. Additionally, I have extensive
25 complex mass tort litigation experience and complex construction product liability experience. I
26 can, will and have adequately represented the interests of the Plaintiff, the State of California and
27 the Aggrieved Employees throughout this action.

1 49. I have represented consumers and employees in California class actions, and
2 complex multi-party product liability actions exclusively for more than 13 years. I have been in
3 practice as a plaintiffs' civil litigation attorney since April 2007.

4 50. I have significant class counsel and collective action counsel experience. I served as
5 class and/or collective (PAGA) counsel in the following matters:

6 a. *Munoz v. AMTCR*, San Bernardino Superior Court Case No. CIV-DS2001914
7 (August 24, 2021) Hon. David Cohn approved a \$1.8 million dollar class and PAGA
8 settlement for, *inter alia*, inaccurate itemized wage statements. The JCL Law Firm, APC
9 acted as class counsel for the settlement class and as representative PAGA counsel the State
10 of California and the Aggrieved Employees.)

11 b. *Nunes v. Home Depot U.S.A., Inc.*, San Joaquin Superior Court Case No. STK-CV-
12 UOE-2020-0011011 (October 20, 2021 – Hon. Roger Ross approved a \$1.5 million dollar
13 class and PAGA settlement for, *inter alia*, miscalculated meal period premiums and
14 appointed Jean-Claude Lapuyade, Esq, as Class Counsel.)

15 c. *Pillsbury v. T&T Restaurants CA, Inc.*, Del Norte Superior Court Case No. CVUJ-
16 20-1214 (December 14, 2021 – Hon. Darren McElfresh approved \$550 billing rate and
17 appointed Jean-Claude Lapuyade, Esq, as Class Counsel in a wage and hour class action
18 settlement.)

19 d. *Rodriguez v. RSI Home Products, Inc.*, San Bernardino Superior Court Case No.
20 CIVDS2023354 (July 30, 2021 – Hon. David Cohn approved a \$1.45 million class and
21 PAGA settlement for, *inter alia*, failure to comply with piece-rate laws, and appointed the
22 JCL Law Firm, APC as Class Counsel)

23 e. *Elias Kaser v. Aviation Consultants, Inc.*, Orange County Superior Court Case No.
24 30-2021-01191204-CU-OE-CXC (September 22, 2021 – Hon. Peter J. Wilson approved
25 \$550 billing rate in a representative California Labor Code Private Attorney General Act
26 settlement).

27 f. *Jer Vang v. Bridge Property Management*, Alameda County Superior Court, Case
28 No RG19047434 (January 8, 2021 – Hon. Winifred Smith approved a class and PAGA

1 settlement for, *inter alia*, unpaid off the clock work. The JCL Law Firm, APC acted as
2 class counsel for the settlement class and as representative PAGA counsel the State of
3 California and the Aggrieved Employees.)

4 g. *Johnson v. Volt Management Corp., Inc. et al.*, Los Angeles County Superior Court,
5 Case No. 19STCV16466 (December 11, 2020 – Hon. Amy Hogue approved a PAGA
6 Settlement negotiated on behalf of the State of California and the aggrieved employees by
7 the JCL Law Firm, APC.)

8 h. *Salazar v. Frontier Auto Sales Inc., dba Frontier Toyota*, Los Angeles Superior
9 Court, Case No. 19STCV20382 (November 24, 2020 – Hon. John P. Doyle appointed the
10 JCL Law Firm, APC as class counsel and approved a class and PAGA settlement for, *inter*
11 *alia*, missed meal and rest periods.)

12 i. *Villalobos v. Alterra Group, LLC et al.*, Los Angeles County Superior Court, Case
13 No. 19STCV19448 (November 11, 2020 – Hon. Richard Fruin approved a PAGA
14 Settlement for, *inter alia*, unreimbursed business expenses. The JCL Law Firm, APC acted
15 as counsel for the plaintiff, the State of California and the Aggrieved Employees.)

16 j. *Stevens et al., v. Bank of England*, San Diego County Superior Court Case No. 37-
17 2019-00018662-CU-OE-CTL (October 16, 2020 – Hon. John Meyer appointed JCL Law
18 Firm as Class Counsel and granted final approval of wage and hour class action for, *inter*
19 *alia*, off-the-clock work.)

20 k. *Frazier v. ASA Carlton, Inc.*, San Diego Superior Court Case No. 37-2019-
21 00036147 (October 9, 2020 Hon. Kenneth Medel appointed the JCL Law Firm as Class
22 Counsel and granted final approval of wage and hour class action for off-the-clock work.)

23 l. *Krake et al., v. Central Valley Diner, Inc.*, Placer County Superior Court Case No.
24 SCV0041645 (September 4, 2020 – Hon. Michael Jones appointed JCL Law Firm as class
25 counsel and granted final approval of wage and hour class action for meal period
26 violations.)

27 m. *Conner v. Ascendant Marketing, LLC et al.*, San Diego Superior Court Case No. 37-
28 2019-00026864-CU-OE-CTL (July 24, 2020 Hon. Joel Wohlfeil granted approval of

1 PAGA Settlement for, among other things, off-the-clock work. JCL Law Firm, APC acted
2 as lead counsel.)

3 n. *Guerrero v. Estancia Operations, LLC.*, San Diego Superior Court Case No. 37-
4 2019-00028963 (August 25, 2020 – Hon. Katherine Bacal approved PAGA Settlement for,
5 *inter alia*, missed meal and rest periods. JCL LAW Firm, APC, acted as lead counsel.)

6 o. *Moreno v. Dash Lube, et al.*, United States District Court, Southern District of
7 California, Case No. 18cv1922 DMS (AHG) (December 13, 2019 – Granted class
8 certification of Labor Code Section 226 claim and appointed JCL Law Firm, APC, as Class
9 Counsel.)

10 p. *Perkins et al., v. Tahiti Enterprises, Inc., et al.*, Orange County Superior Court Case
11 No. 30-2016-00863095 (October 22, 2019 – Hon. Peter Wilson appointed JCL Law Firm,
12 APC, as Class Counsel and granted final approval for an unlawful housing class action
13 settlement arising out of Civil Code Section 1940.1.)

14 q. *Hill v. Stemak Holdings, Ltd.*, San Diego Superior Court Case No., 37-2018-
15 00000747 (January 28, 2020 – Hon. Kenneth Medel appointed JCL Law Firm, APC as class
16 counsel and granted final approval of wage and hour class action for unpaid overtime.)

17 r. *Shachno et al., v. KT Hotels, LLC, et al.* San Diego Superior Court Case No Case
18 No. 37-2018-00043601 (May 31, 2019 – Hon, Gregory Pollack appointed JCL Law Firm,
19 APC, as Class Counsel and granted preliminary approval for the wage and hour class action
20 settlement involving nearly 900 current and former employees. Final approval scheduled
21 for October 4, 2019)

22 s. *Almanza v. The Express Group, Inc.*, San Bernardino Superior Court Case No.
23 CIVDS1722542 (April 19, 2019 – Hon. David Cohn appointed the JCL Law Firm, APC,
24 as Class Counsel and granted final approval for a wage and hour class action settlement for
25 *inter alia*, missed meal and rest periods and independent contractor misclassification.)

26 t. *Moschetto v. Pillow Global, Inc. San Diego Superior Court*, Case No. 37-2017-
27 00024031-CU-OE-CTL (April 5, 2019 – Hon. John S. Meyer appointed JCL LAW Firm,
28

1 APC, as Class Counsel and granted final approval for a wage and hour wage class action
2 settlement involving misclassified house cleaners.)

3 u. *Burke v. Friendship Hotel, LLC*, San Diego County Superior Court Case No. 37-
4 2017-00022517-CU-OE-CTL (March 10, 2019 – final approval granted on for an unlawful
5 housing class action arising under Civil Code Section 1940.2)

6 v. *Terrado et al., v. Accredited Debt Relief, LLC*, San Diego County Superior Court
7 Case No. 37-2018-00014181-CU-OE-CTL (February 8, 2019 – Hon. Gregory W. Pollock
8 appointed JCL Law Firm, APC as Class Counsel and granted final approval for a wage and
9 hour class action settlement for meal and rest period violations);

10 w. *Macaspac v. San Antonio Regional Hospital*, San Bernardino Superior Court Case
11 No. CIVDS1512625, (July 27, 2018 – Hon. Thomas S. Garza appointed JCL Law Firm,
12 APC, as Class Counsel and granted final approval for a wage and hour class action
13 settlement involving claims for on duty meal and rest periods.);

14 x. *Summerlin et al. v. Maplebear, Inc. dba Instacart*, Los Angeles Superior Court Case
15 No. BC603030 (2018 - certified and settled wage and hour class action.)

16 y. *Ortega v. Prime Healthcare*, San Diego Superior Court Case No. 37-2014-
17 00011240-CU-OE-CTL (2018 – Approved PAGA only settlement for on duty meal and
18 rest periods)

19 z. *Engstrom v. Bender-Rosenthal, Inc.* San Diego Superior Court Case No. 37-2016-
20 00012373-CU-OE-CTL (2017 - Certified and settled class action for employee
21 misclassification);

22 aa. *Crawford v. Outlook Amusements, Inc.*, Los Angeles Superior Court Case No.
23 BC617160 (2017 - Certified and settled wage and hour class action.);

24 bb. *Hernandez v. Sunglass Hut Trading, LLC*, San Bernardino Superior Court Case No.
25 CIVDS1505181 (2016 - Certified and settled wage and hour class action);

26 cc. *Burns v. Shalom, LLC*, San Diego Superior Court, Case No., 37-2013-00058356-
27 CU-BT-CTL (2015 - certified and settled class action for unlawful housing practices arising
28 out of Civil Code Section 1940.1);

51. Since 2010, I have successfully tried two (2) cases to conclusion, each resulting in a favorable verdict for the firm's clients.

52. Finally, I have published appellate experience in *William Blanchette et al., v. The Superior Court of Imperial County, (GHA Enterprises)*, 8 Cal.App.5th 521.

53. Consequently, I was named to the prestigious Thomson Reuters, Super Lawyers, Rising Star in 2015, 2016, 2017 and, again, in 2018. According to Thomson Reuters, the Super Lawyers, Rising Star list recognizes the top 2.5% of eligible attorneys. (see https://www.superlawyers.com/about/selection_process.html.)

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 4th day of March 2022, at San Diego, California.

JCL LAW FIRM, APC

By: Jean-Claude Lapuyade
Jean-Claude Lapuyade
Attorney for Plaintiff

EXHIBIT 1

ZAKAY LAW GROUP, APLC

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SUPERIOR COURT OF CALIFORNIA

COUNTY OF ORANGE

OMAR VEJAR, on behalf of himself and on
behalf of all persons similarly situated,

PLAINTIFF,

vs.

FINELINE WOODWORKING, INC., a
California corporation; FINELINE
ARCHITECTURAL MILLWORK, INC., a
California Corporation; and DOES 1-50,
Inclusive;

DEFENDANTS.

Case No.: 30-2021-01208607-CU-OE-CXC

[Action Filed 06/29/2021]

**STIPULATION FOR SETTLEMENT OF
CLASS AND PAGA ACTION CLAIMS
AND RELEASE OF CLAIMS**

Judge: Honorable Randall J. Sherman
Dept.: CX-105

This Stipulation for Settlement of Class and PAGA Action Claims and Release of Claims is entered into by and between plaintiff OMAR VEJAR (hereinafter, "Plaintiff"), an individual, on behalf of the Settlement Class, and in his representative capacity on behalf of the State of California and the Aggrieved Employees, on the one hand, and Defendants FINELINE WOODWORKING, INC. and FINELINE ARCHITECTURAL MILLWORK, INC., (hereinafter collectively, "Defendants"), on the other hand:

I. DEFINITIONS

- A. "Action" shall mean the putative class action lawsuit entitled *Vejar v. Fineline Woodworking, Inc., et al.*, Orange County Superior Court, Case No. 30-2021-01208607-CU-OE-CXC, filed June 29, 2021.
- B. "Aggrieved Employees" shall mean all employees who are or previously were employed by Fineline Woodworking Inc., or Fineline Architectural Millwork, Inc., and who were classified as non-exempt employees during the PAGA Period.
- C. "Agreement" or "Settlement Agreement" means this Stipulation for Settlement of Class Action and Release of Claims.
- D. "Class Counsel" shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC, and Shani Zakay of Zakay Law Group, APLC.
- E. "Class Counsel Award" means the award of fees and expenses that the Court authorizes to be paid to Class Counsel for the services they have rendered to Plaintiff and the Settlement Class in the Action, consisting of attorneys' fees not to exceed one-third of the \$264,000.00 Gross Settlement Amount (defined below), currently estimated to be \$88,000.00, plus costs of up to \$15,000.00. Attorneys' fees will be divided equally between Class Counsel (50% to JCL Law Firm, APC and 50% to Zakay Law Group, APLC).
- F. "Class Data" means information regarding Class Members (defined below) that Defendants will in good faith compile from records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall

1 include: each Class Member's full name; last known address; Social Security
2 Number; and the time period during which the Class Member performed work for
3 Defendants.

4 G. "Class Members" or the "Class" means all employees who are or previously were
5 employed by defendant Fineline Woodworking, Inc., or Fineline Architectural
6 Millwork, Inc., in California and who were classified as non-exempt employees
7 during the Class Period.

8 H. "Class Period" means the period between June 29, 2017 to the earlier of March 26,
9 2022 or Preliminary Approval of this Settlement by the Court.

10 I. "Class Representative Service Award" means the amount that the Court authorizes to
11 be paid to the Class Representative, in addition to his Individual Settlement Payment
12 and his pro-rata share of the PAGA Settlement, in recognition of his efforts and risks
13 in assisting with the prosecution of the Action and in exchange for executing a
14 General Release of Claims, including a California *Civil Code* Section 1542 waiver
15 from the named Plaintiff.

16 J. "Class Representative" shall mean plaintiff, OMAR VEJAR.

17 K. "Court" means the Superior Court for the State of California, County of Orange,
18 currently presiding over the Action.

19 L. "Defendants" shall mean Fineline Woodworking, Inc., a California corporation, and
20 Fineline Architectural Millwork, Inc., a California corporation.

21 M. "Effective Date" means the earliest date, following entry by the Court of an Order
22 and Judgment finally approving this Settlement, upon which one of the following
23 have occurred: (i) if no objection is filed to the settlement and no objector appears at
24 the hearing on final approval, the date of the Court's entry of the Order granting final
25 approval, (ii) if an objection is filed to the settlement, or an objector appears at the
26 hearing on final approval, then the later of the following: (a) the expiration of all
27 potential appeal periods without a filing of a notice of appeal of the final approval
28

Order or Judgment; (b) final affirmance of the final approval Order and Judgment by an appellate court as a result of any appeal(s); or (c) final dismissal or denial of all such appeals (including but not limited to any petition for review, rehearing, certiorari, etc.) such that the final approval Order and Judgment is no longer subject to further judicial review.

N. “Funding Date” shall mean the date Defendants transfer the Gross Settlement Amount into the QSF (defined below) in accord with the terms of this Agreement and shall occur within thirty (30) calendar days after the Court enters an Order granting preliminary approval of this Settlement.

O. “Individual Settlement Payment” means the amount payable from the Net Settlement Amount (defined below) to each Settlement Class Member and excludes any amounts distributed to Aggrieved Employees pursuant to PAGA.

P. “Net Settlement Amount” or “NSA” means the Gross Settlement Amount, less Class Counsel Award, Class Representative Service Award, PAGA Settlement (defined below), and Settlement Administrator (defined below) costs.

Q. “Notice Packet” means the Class Notice to be provided to the Class Members by the Settlement Administrator in the form set forth as Exhibit A to this Agreement (other than formatting changes to facilitate printing by the Settlement Administrator).

R. “PAGA” means the California *Labor Code* Private Attorneys General Act of 2004, Labor Code § 2698 *et seq.*

S. “PAGA Payment Ratio” means the respective pay periods during the PAGA Period for each Aggrieved Employee divided by the sum-total of the pay periods for all Aggrieved Employees during the PAGA Period.

T. “PAGA Period” means the period between April 23, 2020 to the earlier of March 26, 2022 or Preliminary Approval of this Settlement by the Court.

U. “PAGA Settlement” shall mean Ten Thousand Dollars (\$10,000) to be allocated from the Gross Settlement Amount.

- 1 V. "Parties" means Plaintiff and Defendants, collectively, and "Party" shall mean either
2 Plaintiff or Defendants, individually.
- 3 W. "Payment Ratio" means the respective Workweeks for each Class Member divided
4 by the sum total Workweeks for all Class Members.
- 5 X. "Plaintiff" shall mean OMAR VEJAR.
- 6 Y. "QSF" means the Qualified Settlement Fund established, designated and maintained
7 by the Settlement Administrator to fund the Gross Settlement Amount.
- 8 Z. "Released Class Claims" means all class claims alleged in the operative Complaint
9 which accrued during the Class Period, and expressly excluding all other claims,
10 including claims for vested benefits, wrongful termination, unemployment insurance,
11 disability, Social Security, workers' compensation, and class claims outside of the
12 Class Period.
- 13 AA. "Released PAGA Claims" means all PAGA claims alleged in the operative Complaint
14 and Plaintiff's PAGA notice to the LWDA which accrued during the PAGA Period,
15 and expressly excluding all other claims, including claims for vested benefits,
16 wrongful termination, unemployment insurance, disability, Social Security, workers'
17 compensation, and PAGA claims outside of the PAGA Period.
- 18 BB. "Released Parties" shall mean Defendants and each of their predecessors, principals,
19 successors, assigns, subsidiaries, affiliates, commonly controlled entities, companies,
20 enterprises, ventures, partners, insurers, investors, attorneys, officers, shareholders,
21 directors, agents, representatives, employees, and each of them.
- 22 CC. "Response Deadline" means the date forty-five (45) days after the Settlement
23 Administrator mails Notice Packets to Class Members and the last date on which
24 Class Members may submit requests for exclusion or objections to the Settlement.
- 25 DD. "Settlement" means the disposition of the Action pursuant to this Agreement.
- 26 EE. "Settlement Administrator" means ILYM Group Inc., 14771 Plaza Drive, Ste. L,
27 Tustin, CA 92780; Tel: 1-888-250-6810; Fax: 1-888-845-6185. The Settlement
28

1 Administrator establishes, designates and maintains, as a QSF under Internal Revenue
2 Code section 468B and Treasury Regulation section 1.468B-1, a deposit account into
3 which the amount of the Gross Settlement Amount is deposited for the purpose of
4 resolving the claims of Settlement Class Members. The Settlement Administrator
5 shall maintain the funds in the deposit account until distribution. *All accrued interest*
6 *shall be paid and distributed to the Settlement Class Members as part of their*
7 *respective Individual Settlement Payment.*

8 FF. "Settlement Class Members" or "Settlement Class" means all Class Members who
9 have not submitted a timely and valid Request for Exclusion by the Response
10 Deadline as provided in this Agreement.

11 GG. "Gross Settlement Amount" means Two Hundred Sixty-Four Thousand Dollars
12 (\$264,000.00), which Defendants must pay into the QSF in connection with this
13 Settlement, inclusive of the sum of the Individual Settlement Payments, the Class
14 Representative Service Award, the Class Counsel Award, the PAGA Settlement, and
15 the Settlement Administration Costs, and *exclusive* of the employer's share of payroll
16 taxes, if any, triggered by any payment under this Settlement.

17 HH. "Workweeks," for purposes of calculating the distribution of the Net Settlement
18 Amount, means the number of weeks of employment during the Class Period that
19 each Class Member was employed by Defendants in California, excluding weeks
20 during which the Class Member did not perform any work for Defendants.

21 II. "PAGA Pay Periods," for purposes of calculating the distribution of the Aggrieved
22 Employee Payment, as defined herein, means the number of pay periods of
23 employment during the PAGA Period that each Aggrieved Employee worked in
24 California.

25 **II. RECITALS**

26 A. On April 23, 2021, Plaintiff filed a Notice of Violations with the Labor and Workforce
27 Development Agency (LWDA), and served the same on Defendants.

1 B. On June 29, 2021, Plaintiff filed the Action, asserting causes of action for:

- 2 1. Unfair Competition in Violation of Bus. and Prof. Code sections 17200 *et seq*;
- 3 2. Failure to pay minimum wages, in violation of California Labor Code sections
- 4 1194, 1197 and 1197.1;
- 5 3. Failure to pay overtime wages, in violation of California Labor Code sections
- 6 510 *et seq*;
- 7 4. Failure to provide required meal periods, in violation of California Labor
- 8 Code sections 226.7 and 512 and the applicable IWC wage order;
- 9 5. Failure to provide required rest periods, in violation of California Labor Code
- 10 sections 226.7 and 512 and the applicable IWC wage order;
- 11 6. Failure to provide accurate itemized wage statements, in violation of
- 12 California Labor Code section 226;
- 13 7. Failure to reimburse Plaintiff for required expenses, in violation of California
- 14 Labor Code section 2802;
- 15 8. Failure to provide wages when due, in violation of California Labor Code
- 16 sections 201, 202 and 203; and
- 17 9. Violation of the Private Attorneys General Act [Labor Code section 2698].

18 C. The Class Representative believes he has meritorious claims based on the
19 aforementioned alleged violations of the California *Labor Code*, and the Industrial
20 Wage Commission Orders, that class certification is appropriate because the
21 prerequisites for class certification can be satisfied in the Action, and that the Action
22 is manageable as a PAGA representative Action.

23 D. Defendants deny any liability or wrongdoing of any kind associated with the claims
24 alleged in the Action, dispute that any wages, damages and penalties claimed by the
25 Class Representative are owed, and further contend that, for any purpose other than
26 settlement, the Action is not appropriate for class or representative action treatment.

Defendants contend, among other things, that at all times they complied with the California *Labor Code* and the Industrial Wage Commission Orders.

E. The Class Representative is represented by Class Counsel. Class Counsel conducted an investigation into the facts relevant to the Action, including conducting an independent investigation as to the allegations, reviewing documents and information exchanged through informal discovery, and reviewing documents and information provided by Defendants pursuant to informal requests for information to prepare for mediation. Based on their own independent investigation and evaluation, Class Counsel are of the opinion that the Settlement with Defendants is fair, reasonable and adequate, and is in the best interest of the Settlement Class, in light of all known facts and circumstances, including the risks of significant delay, defenses asserted by Defendants, uncertainties regarding class certification, and numerous potential appellate issues. Although they deny any liability, Defendants are agreeing to this Settlement solely to avoid the inconveniences and cost of further litigation. The Parties and their counsel have agreed to settle the claims on the terms set forth in this Agreement.

F. On January 26, 2022, the Parties participated in mediation presided over by Hon. Carl J. West (Ret.), a respected jurist experienced in wage and hour class and PAGA actions. The mediation concluded with a settlement, after both sides agreed to a Mediator's proposal which was subsequently memorialized in the form of a Memorandum of Understanding ("MOU").

G. This Agreement replaces and supersedes the MOU and any other agreements, understandings, or representations between and among the Parties. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants that the claims in the Action of Plaintiff or the Class Members have merit or that Defendants bear any liability to Plaintiff or the Class Members on those claims or any other

claims, or as an admission by Plaintiff that Defendants' defenses in the Action have merit.

H. The Parties believe that the Settlement is fair, reasonable and adequate. The Settlement was arrived at through arm's-length negotiations, taking into account all relevant factors. The Parties recognize the uncertainty, risk, expense and delay attendant to continuing the Action through trial and any appeal. Accordingly, the Parties desire to fully, finally, and forever settle, compromise and discharge all disputes and claims arising from or relating to the Action.

I. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the settlement does not become effective, Defendants reserve the right to contest certification of any class for any reason and reserve all available defenses to the claims in the Action.

Based on these Recitals, which are a part of this Agreement, the Parties agree as follows:

III. TERMS OF AGREEMENT

A. Settlement Consideration and Settlement Payments by Defendants.

1. Settlement Consideration. In full and complete settlement of the Action, and in exchange for the releases set forth below, Defendants and the Released Parties will pay the sum of the Individual Settlement Payment, the Class Representative Service Award, the Class Counsel Award, the PAGA Settlement, and the Settlement Administration Costs, as specified in this Agreement, in the Gross Settlement Amount of Two Hundred Sixty-Four Thousand Dollars (\$264,000.00). The Parties agree that this is a non-reversionary Settlement and that no portion of the Gross Settlement Amount shall revert to Defendants. Other than the Defendants' share of employer payroll taxes and as provided for in Section III(A)(2) below, if any, Defendants shall not be required to pay more than the Gross Settlement Amount.

- 1 2. Class Size. At the time of mediation, Defendants estimated that the Settlement
2 Class was comprised of 185 individuals who collectively worked
3 approximately 13,108 Workweeks (“Projected Workweeks”) during the Class
4 Period. Accordingly, this figure will be used in the moving papers on the
5 motion for preliminary approval of the settlement. No more than five days
6 before the court hearing on said motion, Defendants will submit a
7 supplemental filing providing an updated number of applicable Class
8 Members and workweeks they worked during the applicable Class Period. If
9 the workweek number increases by more than 10% of the estimate stated
10 herein, the Settlement Amount will increase proportionally for the number of
11 workweeks over 110% of 13,108 (14,419).
- 12 3. Settlement Payment. Defendants are jointly and severally liable for payment
13 of the Gross Settlement Amount. Defendants shall pay the Gross Settlement
14 Amount to the Settlement Administrator on the Funding Date.
- 15 4. Defendants’ Share of Payroll Taxes. Defendants’ share of employer side
16 payroll taxes is in addition to the Gross Settlement Amount and shall be paid
17 to the appropriate federal and state agencies in accordance with federal and
18 California law on the subject, together with the Gross Settlement Amount.
- 19 B. Release by Settlement Class Members. As of the Effective Date, in exchange for the
20 consideration set forth in this Agreement, Plaintiff and the Settlement Class Members
21 release the Released Parties from the Released Class Claims for the Class Period.
- 22 C. Release by the Aggrieved Employees. As of the Effective Date, in exchange for the
23 consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of
24 California release the Released Parties from the PAGA Released Claims for the PAGA
25 Period.
- 26 D. General Release by Plaintiff. As of the Effective Date, for the consideration set forth
27 in this Agreement, Plaintiff waives, releases, acquits and forever discharges the
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1 Released Parties from any and all claims, whether known or unknown, which exist or
2 may exist on his behalf as of the date of this Agreement, including but not limited to
3 any and all tort claims, contract claims, wage claims, wrongful termination claims,
4 disability claims, benefit claims, public policy claims, retaliation claims, statutory
5 claims, personal injury claims, emotional distress claims, invasion of privacy claims,
6 defamation claims, fraud claims, quantum meruit claims, and any and all claims
7 arising under any federal, state or other governmental statute, law, regulation or
8 ordinance, including, but not limited to, claims for violation of the Fair Labor
9 Standards Act, the California *Labor Code*, the Wage Orders of California's Industrial
10 Welfare Commission, other state wage and hour laws, the Americans with
11 Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee
12 Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the
13 California Fair Employment and Housing Act, the California Family Rights Act, the
14 Family Medical Leave Act, California's Whistleblower Protection Act, California
15 Business & Professions Code Section 17200 et seq., and any and all claims arising
16 under any federal, state or other governmental statute, law, regulation or ordinance.
17 Plaintiff also waives and relinquishes any and all claims, rights or benefits that he
18 may have under California *Civil Code* § 1542, which provides as follows:

19 ***A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE***
20 ***CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO***
21 ***EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE***
22 ***RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE***
23 ***MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE***
24 ***DEBTOR OR RELEASED PARTY.***

25 Thus, notwithstanding the provisions of section 1542, and to implement a full and
26 complete release and discharge of the Released Parties, Plaintiff expressly
27 acknowledges this Settlement Agreement is intended to include in its effect, without
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1 limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at
2 the time of signing this Settlement Agreement, and that this Settlement Agreement
3 contemplates the extinguishment of any such claims. Plaintiff warrants that Plaintiff
4 has read this Settlement Agreement, including this waiver of California Civil Code
5 section 1542, and that Plaintiff has consulted with or had the opportunity to consult
6 with counsel of Plaintiff's choosing about this Settlement Agreement and specifically
7 about the waiver of section 1542, and that Plaintiff understands this Settlement
8 Agreement and the section 1542 waiver, and so Plaintiff freely and knowingly enters
9 into this Settlement Agreement. Plaintiff further acknowledges that Plaintiff later may
10 discover facts different from or in addition to those Plaintiff now knows or believes to
11 be true regarding the matters released or described in this Settlement Agreement, and
12 even so Plaintiff agrees that the releases and agreements contained in this Settlement
13 Agreement shall remain effective in all respects notwithstanding any later discovery
14 of any different or additional facts. Plaintiff expressly assumes any and all risk of any
15 mistake in connection with the true facts involved in the matters, disputes, or
16 controversies released or described in this Settlement Agreement or with regard to any
17 facts now unknown to Plaintiff relating thereto.

18 E. Conditions Precedent: This Settlement will become final and effective only upon the
19 occurrence of all of the following events:

- 20 1. The Court enters an Order granting preliminary approval of the Settlement;
- 21 2. The Court enters an Order granting final approval of the Settlement and a Final
22 Judgment;
- 23 3. If an objector appears at the final approval hearing, the expiration of the time
24 for appeal of the Final Judgment and Order Granting Final Approval of Class
25 Action Settlement; or, if an appeal is timely filed, there is a final resolution of
26 any appeal from the Judgment and Order Granting Final Approval of Class
27 Action Settlement; and

1 4. Defendants fully fund the Gross Settlement Amount.

2 F. Nullification of Settlement Agreement. If this Settlement Agreement is not
3 preliminarily or finally approved by the Court, fails to become effective, or is reversed,
4 withdrawn or modified by the Court, or in any way prevents or prohibits Defendants
5 from obtaining a complete resolution of the Released Claims, or if Defendants fail to
6 fully fund the Gross Settlement Amount:

7 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
8 and shall not be admissible in any judicial, administrative, or arbitral
9 proceeding for any purpose, or with respect to any issue, substantive or
10 procedural;

11 2. The conditional class certification (obtained for any purpose) shall be void *ab*
12 *initio* and of no force or effect, and shall not be admissible in any judicial,
13 administrative, or arbitral proceeding for any purpose, or with respect to any
14 issue, substantive or procedural;

15 3. None of the Parties to this Settlement will be deemed to have waived any
16 claims, objections, defenses or arguments in the Action, including with respect
17 to the issue of class certification;

18 4. Any amounts deposited by Defendants into the QSF, plus any interest accrued,
19 shall be returned to Defendants within five (5) business days of Defendants'
20 written request for repayment upon the Settlement Administrator; and

21 5. If Defendants fail to fully fund the Gross Settlement Amount, Defendants
22 shall bear the sole responsibility for any cost to issue or reissue any curative
23 notice to the Settlement Class Members and all Settlement Administration
24 Costs incurred to the date of nullification.

25 G. Certification of the Settlement Class. The Parties stipulate to conditional class
26 certification of the Class for the Class Period for purposes of settlement only. In the
27 event that this Settlement is not approved by the Court, fails to become effective, or is
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1 reversed, withdrawn or modified by the Court, or in any way prevents or prohibits
2 Defendants from obtaining a complete resolution of the Released Claims, the
3 conditional class certification (obtained for any purpose) shall be void *ab initio* and of
4 no force or effect, and shall not be admissible in any judicial, administrative, or arbitral
5 proceeding for any purpose, or with respect to any issue, substantive or procedural.

6 H. Tax Liability. The Parties make no representations as to the tax treatment or legal
7 effect of the payments called for, and Class Members and/or Aggrieved Employees are
8 not relying on any statements or representations by the Parties in this regard. Class
9 Members and/or Aggrieved Employees understand and agree that they will be
10 responsible for the payment of any taxes and penalties assessed on the Individual
11 Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA
12 Settlement, and will be solely responsible for any penalties or other obligations
13 resulting from their personal tax reporting of Individual Settlement Payments and/or
14 Aggrieved Employees' individual shares of the PAGA Settlement.

15 I. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
16 the "acknowledging party" and each Party to this Agreement other than the
17 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision
18 of this Agreement, and no written communication or disclosure between or among the
19 Parties or their attorneys and other advisers, is or was intended to be, nor shall any
20 such communication or disclosure constitute or be construed or be relied upon as, tax
21 advice, within the meaning of United States Treasury Department circular 230 (31
22 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon
23 his, her or its own, independent legal and tax counsel for advice (including tax advice)
24 in connection with this Agreement, (b) has not entered into this Agreement based upon
25 the recommendation of any other Party or any attorney or advisor to any other Party,
26 and (c) is not entitled to rely upon any communication or disclosure by any attorney
27 or adviser to any other Party to avoid any tax penalty that may be imposed on the
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acknowledging party; and (3) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

J. Preliminary Approval Motion. Class Counsel shall draft and file the motion for preliminary approval within ten (10) calendar days of execution of this Agreement.

K. Settlement Administrator. The Settlement Administrator shall be responsible for: establishing and administering the QSF; calculating, processing and mailing payments to the Class Representative, Class Counsel, LWDA and Class Members; printing and mailing the Notice Packets to the Class Members as directed by the Court; receiving and reporting the objections and requests for exclusion; calculating, deducting and remitting all legally required taxes from Individual Settlement Payments and distributing tax forms for the Wage Portion and Non-Wage Portion of the Individual Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA Settlement; processing and mailing tax payments to the appropriate state and federal taxing authorities; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and other tasks as the Parties mutually agree, or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities by, among other things, sending a weekly status report to the Parties' counsel stating the date of the mailing, the number of Elections Not to Participate in Settlement it receives (including the numbers of valid and deficient), and the number of objections received.

L. Notice Procedure.

1. Class Data. No later than ten (10) business days after the Preliminary Approval Date, Defendants shall provide the Settlement Administrator with

1 the Class Data for purposes of preparing and mailing Notice Packets to the
2 Class Members.

3 2. Notice Packets.

- 4 a) The Notice Packet shall contain the Notice of Class Action Settlement
5 in a form substantially similar to the form attached as **Exhibit A** and a
6 Request for Exclusion form substantially similar to the form attached
7 hereto as **Exhibit B**. The Notice of Class Action Settlement shall
8 inform Class Members and Aggrieved Employees that they need not
9 do anything in order to receive an Individual Settlement Payment
10 and/or Aggrieved Employees' individual shares of the PAGA
11 Settlement and to keep the Settlement Administrator apprised of their
12 current mailing address, to which the Individual Settlement Payments
13 and/or Aggrieved Employees' individual shares of the PAGA
14 Settlement will be mailed following the Funding Date. The Notice of
15 Class Action Settlement shall set forth the release to be given by all
16 members of the Class who do not request to be excluded from the
17 Settlement Class and/or Aggrieved Employees' in exchange for an
18 Individual Settlement Payment and/or Aggrieved Employees'
19 individual shares of the PAGA Settlement; the number of Workweeks
20 worked by each Class Member during the Class Period and PAGA
21 Period, if any; and the estimated amount of their Individual Settlement
22 Payment if they do not request to be excluded from the Settlement and
23 each Aggrieved Employee's share of the PAGA Settlement, if any.
24 The Settlement Administrator shall use the Class Data to determine
25 Class Members' Workweeks and PAGA Workweeks. The Notice will
26 also advise the Aggrieved Employees that they will release the
27 Released PAGA Claims and will receive their share of the PAGA
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1 Settlement regardless of whether they request to be excluded from the
2 Settlement.

3 b) The Notice Packet's mailing envelope shall include the following
4 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
5 ENTITLED TO PARTICIPATE IN A CLASS ACTION
6 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
7 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
8 NOTICE."

9 3. Notice by First Class U.S. Mail. Upon receipt of the Class Data, the
10 Settlement Administrator will perform a search based on the National Change
11 of Address Database to update and correct any known or identifiable address
12 changes. No later than fourteen (14) calendar days after receiving the Class
13 Data from Defendants, the Settlement Administrator shall mail copies of the
14 Notice Packet to all Class Members via regular First-Class U.S. Mail. The
15 Settlement Administrator shall exercise its best judgment to determine the
16 current mailing address for each Class Member. The address identified by the
17 Settlement Administrator as the current mailing address shall be presumed to
18 be the best mailing address for each Class Member.

19 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
20 Administrator as non-delivered on or before the Response Deadline shall be
21 re-mailed to any forwarding address provided. If no forwarding address is
22 provided, the Settlement Administrator shall promptly attempt to determine a
23 correct address by lawful use of skip-tracing, or other search using the name,
24 address, and/or Social Security number of the Class Member involved, and
25 shall then perform a re-mailing, if another mailing address is identified by the
26 Settlement Administrator. In addition, if any Notice Packets, which are
27 addressed to Class Members who are currently employed by Defendants, are
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1 returned to the Settlement Administrator as non-delivered and no forwarding
2 address is provided, the Settlement Administrator shall notify Defendants.
3 Defendants will request that the currently employed Class Member provide a
4 corrected address, and transmit to the Settlement Administrator any corrected
5 address provided by the Class Member. Class Members who receive a re-
6 mailed Notice Packet shall have their Response Deadline extended fifteen (15)
7 days from the original Response Deadline.

8 5. Disputes Regarding Individual Settlement Payments. Class Members will
9 have the opportunity, should they disagree with Defendants' records regarding
10 the start and end dates of employment, to provide documentation and/or an
11 explanation to show contrary dates. If there is a dispute, the Settlement
12 Administrator will consult with the Parties to determine whether an
13 adjustment is warranted, and work in good faith to attempt to resolve the
14 dispute. If, however, the Parties and the Settlement Administrator are unable
15 to resolve the dispute to the satisfaction of the Class Member, the Court shall
16 retain jurisdiction to resolve the dispute and the Court's resolution shall be
17 binding upon the Class Member and the Parties.

18 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
19 by the Settlement Administrator concerning the administration of the
20 Settlement will be resolved by the Court under the laws of the State of
21 California. Before any such involvement of the Court, counsel for the Parties
22 will meet and confer in good faith to resolve the disputes without the necessity
23 of involving the Court.

24 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
25 Packet shall state that Class Members who wish to exclude themselves from
26 the Settlement must submit a signed copy of the Request for Exclusion form
27 to the Settlement Administrator by the Response Deadline. A Request for
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1 Exclusion form will be mailed together with the Notice Packet to all Class
2 Members. The Request for Exclusion will not be valid if it is not timely
3 submitted, if it is not signed by the Class Member, or if it does not contain the
4 name and address and last four digits of the Social Security number of the
5 Class Member. The date of the postmark on the mailing envelope or fax stamp
6 on the Request for Exclusion shall be the exclusive means used to determine
7 whether the request for exclusion was timely submitted. Any Class Member
8 who submits a timely Request for Exclusion shall be excluded from the
9 Settlement Class, will not be entitled to an Individual Settlement Payment,
10 and will not be otherwise bound by the terms of the Settlement or have any
11 right to object, appeal or comment thereon. However, any Class Member that
12 submits a timely Request for Exclusion that is also a member of the Aggrieved
13 Employees will still receive his/her pro rata share of the PAGA Settlement, as
14 specified below, and in consideration, will be bound by the Release by the
15 Aggrieved Employees as set forth herein. Settlement Class Members who fail
16 to submit a valid and timely Request for Exclusion on or before the Response
17 Deadline shall be bound by all terms of the Settlement and any final judgment
18 entered in this Action, if the Settlement is approved by the Court. No later
19 than fourteen (14) calendar days after the Response Deadline, the Settlement
20 Administrator shall provide counsel for the Parties with a final list of the Class
21 Members who have timely submitted timely Requests for Exclusion. At no
22 time shall any of the Parties or their counsel seek to solicit or otherwise
23 encourage members of the Class to submit Requests for Exclusion from the
24 Settlement.

- 25 8. Objections. The Notice of Class Action Settlement contained in the Notice
26 Packet shall state that Class Members who wish to object to the Settlement
27 may submit to the Settlement Administrator a written statement of objection
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1 (“Notice of Objection”) by the Response Deadline. The postmark date of
2 mailing shall be deemed the exclusive means for determining that a Notice of
3 Objection was served timely. The Notice of Objection must be signed by the
4 Settlement Class Member and state: (1) the case name and number; (2) the
5 name of the Settlement Class Member; (3) the address of the Settlement Class
6 Member; (4) the last four digits of the Settlement Class Member’s Social
7 Security number; (4) the basis for the objection; and (5) if the Settlement Class
8 Member intends to appear at the Final Approval/Settlement Fairness Hearing.
9 Class Members who fail to make objections in writing in the manner specified
10 above may still make their objections orally at the Final Approval/Settlement
11 Fairness Hearing, with the Court’s permission. Settlement Class Members
12 will have a right to appear at the Final Approval/Settlement Fairness Hearing
13 to have their objections heard by the Court. At no time shall any of the Parties
14 or their counsel seek to solicit or otherwise encourage Class Members to file
15 or serve written objections to the Settlement or appeal from the Order and
16 Final Judgment. Class Members who submit a written request for exclusion
17 may not object to the Settlement. Class Members may not object to the PAGA
18 Settlement

19 M. Funding and Allocation of the Gross Settlement Amount. Defendants are required to
20 pay the Gross Settlement Amount on or before the Funding Date, plus any employer’s
21 share of payroll taxes, if any, as mandated by law, within the time specified herein.

22 1. Individual Settlement Payments. Individual Settlement Payments shall be
23 paid from the Net Settlement Amount and shall be paid pursuant to the
24 formula set forth herein. Using the Class Data, the Settlement Administrator
25 shall add up the total number of Workweeks for all Class Members. The
26 respective Workweeks for each Class Member will be divided by the total
27 Workweeks for all Class Members, resulting in the Payment Ratio for each
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1 Class Member. Each Class Member's Payment Ratio will then be multiplied
2 by the Net Settlement Amount to calculate each Class Member's estimated
3 Individual Settlement Payments. Each Individual Settlement Payment will be
4 reduced by any legally mandated employee tax withholdings (e.g., employee
5 payroll taxes, etc.). Individual Settlement Payments for Class Members who
6 submit valid and timely requests for exclusion will be redistributed to
7 Settlement Class Members who do not submit valid and timely requests for
8 exclusion on a pro rata basis based on their respective Payment Ratios.

9 2. Calculation of Individual Payments to the Aggrieved Employees. Using the
10 Class Data, the Settlement Administrator shall add up the total number of
11 PAGA pay periods for all Aggrieved Employees during the PAGA Period.
12 The respective PAGA pay periods for each Aggrieved Employee will be
13 divided by the total PAGA pay periods for all Aggrieved Employees, resulting
14 in the "PAGA Payment Ratio" for each Aggrieved Employee. Each
15 Aggrieved Employee's PAGA Payment Ratio will then be multiplied by the
16 Aggrieved Employee Payment to calculate each Aggrieved Employee's
17 estimated share of the PAGA Settlement.

18 3. Allocation of Individual Settlement Payments. For tax purposes, Individual
19 Settlement Payments shall be allocated and treated as 10% wages ("Wage
20 Portion") and 90% interest and penalties ("Non-Wage Portion"). The Wage
21 Portion of the Individual Settlement Payments shall be reported on IRS Form
22 W-2 and the Non-wage Portion of the Individual Settlement Payments shall
23 be reported on IRS Form 1099.

24 4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved
25 Employee Settlement Payments shall be allocated and treated as 100%
26 penalties and shall be reported on IRS Form 1099.

5. No Credit Toward Benefit Plans. The Individual Settlement Payments and individual shares of the PAGA Settlement made to Settlement Class Members and/or Aggrieved Employees under this Settlement Agreement, as well as any other payments made pursuant to this Settlement Agreement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any such benefit plans.

6. All monies received by Settlement Class Members under the Settlement which are attributable to wages shall constitute income to such Settlement Class Members solely in the year in which such monies actually are received by the Settlement Class Members. It is the intent of the Parties that Individual Settlement Payments and individual shares of the PAGA Settlement provided for in this Settlement agreement are the sole payments to be made by Defendants to Settlement Class Members and/or Aggrieved Employees in connection with this Settlement Agreement, with the exception of Plaintiff, and that the Settlement Class Members and/or Aggrieved Employees are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payments and/or their shares of the PAGA Settlement.

7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments shall be mailed by regular First-Class U.S. Mail to Settlement Class Members' and/or Aggrieved Employees last known mailing address no later than fifteen (15) calendar days after the Funding Date.

1 8. Expiration. Any checks issued to Settlement Class Members and Aggrieved
2 Employees shall remain valid and negotiable for one hundred and eighty (180)
3 days from the date of their issuance. If a Settlement Class Member and/or
4 Aggrieved Employee does not cash his or her settlement check within 90 days,
5 the Settlement Administrator will send a letter to such persons, advising that
6 the check will expire after the 180th day, and invite that Settlement Class
7 Member and/or Aggrieved Employee to request reissuance in the event the
8 check was destroyed, lost or misplaced. In the event an Individual Settlement
9 Payment and/or Aggrieved Employee's individual share of the PAGA
10 Settlement check has not been cashed within one hundred and eighty (180)
11 days, all funds represented by such uncashed checks, plus any interest accrued
12 thereon, shall be transmitted to the Controller of the State of California to be
13 held pursuant to the Unclaimed Property Law, California Civil Code § 1500
14 *et seq.*, in the names and corresponding amounts associated with each Class
15 Member and/or Aggrieved Employee whose check(s) are cancelled.

16 9. Class Representative Service Award. In addition to the Individual Settlement
17 Payment and his individual share of the PAGA Settlement to be paid to
18 Plaintiff, Plaintiff will apply to the Court for an award of not more than
19 \$10,000, as the Class Representative Service Award. Defendants do not
20 presently intend to oppose a Class Representative Service Award of no more
21 than \$10,000 for Plaintiff. The Settlement Administrator shall pay the Class
22 Representative Service Award to Plaintiff, either in the amount stated herein
23 if approved by the Court or some other amount as approved by the Court, from
24 the Gross Settlement Amount no later than fifteen (15) calendar days after the
25 Effective Date. Any portion of the requested Class Representative Service
26 Award that is not awarded to the Class Representative shall be part of the Net
27 Settlement Amount and shall be distributed to Settlement Class Members as

provided in this Agreement. The Settlement Administrator shall issue an IRS Form 1099 — MISC to Plaintiff for his Class Representative Service Award. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on his Class Representative Service Award and shall hold harmless the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Class Representative Service Award. The Class Representative Service Award shall be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class Member. Approval of this Settlement shall not be conditioned on Court approval of the requested amount of the Class Representative Service Award. If the Court reduces or does not approve the requested Class Representative Service Award, Plaintiff shall not have the right to revoke the Settlement, and it will remain binding.

10. Class Counsel Award. Defendants understand a motion will be filed by Class Counsel for attorneys' fees in an amount not to exceed one-third of the Gross Settlement Amount, currently estimated to be \$88,000.00, plus costs and expenses supported by declaration in an amount not to exceed Fifteen Thousand Dollars (\$15,000), payable from the Gross Settlement Amount. Any portion of the requested Class Counsel Award that is not awarded to Class Counsel shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall allocate and pay the Class Counsel Award to Class Counsel from the Gross Settlement Amount no later than fifteen (15) calendar days after the Effective Date. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made pursuant to this paragraph. The Settlement Administrator shall issue an IRS Form 1099 — MISC to Class Counsel for the payments made pursuant to this paragraph. In the event that the Court reduces or does not approve the requested Class

Counsel Award, Plaintiff and Class Counsel shall not have the right to revoke the Settlement, or to appeal such Order, and the Settlement will remain binding.

11. PAGA Settlement. Ten Thousand Dollars (\$10,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the Private Attorneys General Act of 2004 (“PAGA Settlement”). The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Settlement (\$7,500.00) to the California Labor and Workforce Development Agency no later than fifteen (15) calendar days after the Effective Date (hereinafter “LWDA Payment”). Twenty-five percent (25%) of the PAGA Settlement (\$2,500.00) will be distributed to the Aggrieved Employees as described in this Agreement (“Aggrieved Employee Payment”). For purposes of distributing the PAGA Settlement to the Aggrieved Employees, each Aggrieved Employee shall receive their pro-rata share of the Aggrieved Employee Payment using the PAGA Payment Ratio as defined above.

12. Settlement Administration Costs. The Settlement Administrator shall be paid for the costs of administration of the Settlement from the Gross Settlement Amount. The estimate of the Settlement Administration Costs is \$8,500. The Settlement Administrator shall be paid the Settlement Administration Costs no later than fifteen (15) calendar days after the Effective Date.

N. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with the Court a Motion for Order Granting Final Approval and Entering Judgment, within twenty-eight (28) days following the expiration of the Response Deadline, which motion shall request final approval of the Settlement and a determination of the amounts payable for the Class Representative Service Award, the Class Counsel Award, the PAGA Settlement, and the Settlement Administration Costs. Plaintiff will provide Defendants with a draft of the Motion at least five (5) business days prior to

the filing of the Motion to give Defendants an opportunity to propose revisions to the Motion.

1. Declaration by Settlement Administrator. No later than fourteen (14) days after the Response Deadline, the Settlement Administrator shall submit a declaration in support of Plaintiff's motion for final approval of this Settlement, detailing the number of Notice Packets mailed and re-mailed to Class Members, the number of undeliverable Notice Packets, the number of timely requests for exclusion, the number of objections received, the amount of the average Individual Settlement Payment and highest Individual Settlement Payment, the Settlement Administration Costs, and any other information as the Parties mutually agree, or the Court orders the Settlement Administrator to provide.

2. Final Approval Order and Judgment. Class Counsel shall present an Order Granting Final Approval of Class Action Settlement to the Court for its approval, and Judgment thereon, at the time Class Counsel files the Motion for Final Approval.

N. Review of Motions for Preliminary Approval and Final Approval. Class Counsel will provide an opportunity for Defendants' Counsel to review the Motions for Preliminary Approval and Final Approval, including the Order Granting Final Approval of Class Action Settlement and (proposed) Judgment, before filing same with the Court. The Parties and their counsel will cooperate with each other and use their best efforts to affect the Court's approval of the Motions for Preliminary Approval and Final Approval of the Settlement, and entry of Judgment.

O. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts to implement this Settlement Agreement.

- 1 P. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Actions,
2 except such proceedings necessary to implement and complete the Settlement, pending
3 the Final Approval/Settlement Fairness Hearing to be conducted by the Court
- 4 Q. Amendment or Modification. This Agreement may be amended or modified only by
5 a written instrument signed by counsel for all Parties or their successors-in-interest.
- 6 R. Entire Agreement. This Agreement and any attached Exhibits constitute the entire
7 Agreement among these Parties, and no oral or written representations, warranties or
8 inducements have been made to any Party concerning this Agreement or its Exhibits
9 other than the representations, warranties and covenants contained and memorialized
10 in this Agreement and its Exhibits.
- 11 S. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
12 represent they are expressly authorized by the Parties whom they represent to negotiate
13 this Agreement and to take all appropriate Action required or permitted to be taken by
14 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
15 documents required to effectuate the terms of this Agreement. The persons signing
16 this Agreement on behalf of Defendants represent and warrant that he/she is authorized
17 to sign this Agreement on behalf of Defendants. Plaintiff represents and warrants that
18 he is authorized to sign this Agreement and that he has not assigned any claim, or part
19 of a claim, covered by this Settlement, to a third-party.
- 20 T. No Public Comment: The Parties and their counsel agree that they will not issue any
21 press releases, initiate any contact with the press, respond to any press inquiry, or have
22 any communication with the press about the fact, amount or terms of this Settlement
23 Agreement. Class Counsel further agree not to use the Settlement Agreement or any
24 of its terms for any marketing or promotional purposes. Nothing herein will restrict
25 Class Counsel from including publicly available information regarding this settlement
26 in future judicial submissions regarding Class Counsel's qualifications and experience.
27 Further, Class Counsel will not include, reference or use the Settlement Agreement for
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any marketing or promotional purposes, either before or after the Motion for Preliminary Approval is filed.

U. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties, as previously defined.

V. California Law Governs. All terms of this Agreement and any disputes arising therefrom shall be governed by and interpreted according to the laws of the State of California.

W. Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument, provided that counsel for the Parties to this Agreement shall exchange among themselves copies or originals of the signed counterparts.

X. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential.

Y. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement, and all Orders and the Judgment entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement and all Orders and the Judgment entered in connection with this Agreement.

Z. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable.

AA. No Unalleged Claims. Plaintiff and Class Counsel represent that they do not currently intend to pursue any claims against the Released Parties, including, but not limited to,

1 any and all claims relating to or arising from Plaintiff's employment with Defendants,
2 regardless of whether Class Counsel is currently aware of any facts or legal theories
3 upon which any claims or causes of action could be brought against Released Parties,
4 including those facts or legal theories alleged in the operative Complaint in this Action.
5 The Parties further acknowledge, understand and agree that this representation is
6 essential to the Settlement and that this Agreement would not have been entered into
7 were it not for this representation.

8 BB. Waiver of Certain Appeals. The Parties agree to waive appeals.

9 CC. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the
10 Released Claims have merit and give rise to liability on the part of Defendants.
11 Defendants claim that the Released Claims have no merit and do not give rise to
12 liability. This Agreement is a compromise of disputed claims. Nothing contained in
13 this Agreement and no documents referred to and no action taken to carry out this
14 Agreement may be construed or used as an admission by or against the Defendants or
15 Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other
16 than as may be specifically set forth herein, each Party shall be responsible for and
17 shall bear its/his own attorney's fees and costs.

18 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

19
20
21 DATED: Feb 18, 2022


Omar Vejar (Feb 18, 2022 19:50 PST)
OMAR VEJAR

1 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

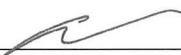
2
3 DATED: 2.18.2022


FINELINE WOODWORKING, INC.

4
5 Mary Burton
Printed Name

6
7 CEO
Title

8 DATED: 2.18.2022


FINELINE ARCHITECTURAL MILL WORK, INC.

10
11 Mary Burton
Printed Name

12
13 CEO
Title

14
15 IT IS SO AGREED AS TO FORM BY COUNSEL:

16 DATED: February 22, 2022

JCL LAW FIRM, A.P.C.

18 By: 

19 Attorneys for Plaintiff and the Settlement Class
20 Members

21 DATED: February 22, 2022

ZAKAY LAW GROUP, APLC

23 By: 

24 Attorneys for Plaintiff and the Settlement Class
25 Members

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DATED: February 18, 2022

FITZGERALD YAP KREDITOR LLP

By: 
Eoin L. Kreditor
Charles C. McKenna
Attorneys for Defendants

EXHIBIT A

**NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT
AND FINAL HEARING DATE**

(Vejar, et al., v. Fineline Woodworking Inc., County of Orange Superior Court Case No. 20-2021-01208607)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Settlement Share is: \$<<[REDACTED]>>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement. Instructions are set forth below.
Object	You may write to the Court about why you believe the settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of Orange (the “Court”) has been reached between Plaintiff Omar Vejar (“Plaintiff”) and Defendants Fineline Woodworking, Inc., a California Corporation and Fineline Architectural Millwork, Inc. (hereinafter “Defendants”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

All employees who are or previously were employed by Defendant Fineline Woodworking, Inc., in California and who were classified as non-exempt employees in the Class Period.

The “Class Period” is the period of time running from June 29, 2017 to the earlier of March 26, 2022 or Preliminary Approval.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On June 29, 2021, Plaintiff filed a Complaint against Defendants in the Superior Court of the State of California, County of Shasta. Plaintiff asserted claims that Defendants: (a) Violated California Business and Professions Code § 17200 *et seq.*; (b) Failed to pay minimum wages in violation of California Labor Code §§ 1194, 1197, and 1197.1; (c) Failed to pay overtime wages in violation of California Labor Code §§ 510, *et seq.*; (d) Failed to provide required meal periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (e) Failed to provide required rest periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (f) Failed to provide accurate and complete itemized wage statements in violation of California Labor Code § 226; (g) Failed to reimburse employees for required expenses in violation of Cal. Lab. Code § 2802; (h) Failed to provide wages when due in violation of California Labor Code §§ 201, 202, and 203; and (i) Violations of the Private Attorney General Act (Cal. Lab. Code §§2698 *et seq.*

Defendants deny and disputes all claims asserted in the Action. Specifically, Defendants contended (and continue to contend) that the Action could not properly be maintained as a class action; that Defendants properly paid members of the class all wages and overtime that was due; that Defendants provided members of the class with all legally required meal breaks and rest breaks; that Defendants paid any members of the class all wages due them at the time of their terminations; that Defendants provided accurate, itemized wage statements to members of the class; that Defendants reimbursed expense to members of the class; that Defendants did not violate California Business and Professions Code section 17200 *et seq.*; and that Defendant is not liable for any of the penalties claimed or that could be claimed in the Action.

On January 26, 2021, the Parties participated in an all-day mediation with Hon. Carl J. West (Ret.) a respected jurist and an experienced mediator of wage and hour class actions. The mediation concluding with a settlement, after both sides agreed to a Mediator's proposal. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firms of JCL Law Firm, APC and Zakay Law Group, APC to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendants have agreed to pay an “all in” amount of Two Hundred Sixty-Four Thousand Dollars (\$264,000) (the “Gross Settlement Amount”) to fund the settlement. The Gross Settlement Amount includes the payment of all Settlement Shares to Participating Class Members, Class Counsel's attorneys' fees and costs, Settlement Administration Expenses, the LWDA Payment, PAGA Shares, and the Class Representative Service Payments to the Plaintiff.

After the Judgment becomes Final, Defendants will pay the Gross Settlement Amount by depositing the money with the Settlement Administrator. “Final” means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed and the Judgment is affirmed.

Amounts to be Paid From the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

- Settlement Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$_____, for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.

- Attorneys' Fees and Costs. Payment to Class Counsel of an award of a Class Counsel Fees Payment of no more than 1/3 of the Gross Settlement Amount (currently \$88,000.00) and a Class Counsel Litigation Expenses Payment of not more than \$XX,000.00 for all expenses incurred as documented in Class Counsel's billing records, both subject to Court approval. Class Counsel have been prosecuting the Actions on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.
- Class Representative Service Payment. Class Representative Service Payment of up to Ten Thousand Hundred Dollars (\$10,000.00) to Plaintiff, or such lesser amount as may be approved by the Court, to compensate him for services on behalf of the Class in initiating and prosecuting the Action, and for the risks he undertook.
- PAGA Payment. A payment of \$10,000 relating to Plaintiff's claim under the Private Attorneys General Act ("PAGA"), \$7,500.00 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA") and the remaining \$2,500.00 will be distributed to PAGA Employees as part of the Net PAGA Amount.
- Calculation of Payments to Participating Class Members. After all the above payments of the court-approved Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payments, the LWDA Payment, and the Settlement Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to class members who do **not** request exclusion ("Participating Class Members"). The Settlement Share for each Participating Class Member will be calculated by dividing the Net Settlement Amount by the total number of workweeks for all Participating Class Members that occurred during the Class Period and multiplying the result by each individual Participating Class Member's workweeks that occurred during the Class Period. A "workweek" is defined as a normal seven-day week of work during the Class Period in which, according to Defendants' records, a member of the class worked at least one-day during any such workweek.
- Calculation of PAGA Penalties Payments to PAGA Employees. The Net PAGA Amount shall be distributed to PAGA Employees irrespective of whether they exclude themselves or opt-out. The Net PAGA Amount will be divided by the total number of pay periods worked by all PAGA Employees during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective PAGA Employee during the PAGA Period. "PAGA Employees" means all employees who are or previously were employed by Fineline Woodworking, Inc. or Fineline Architectural Millwork, Inc. in California and were classified as non-exempt employees during the PAGA Period. The PAGA Period means the period of April 23, 2020 to the earlier of March 26, 2022 or Preliminary Approval.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Settlement Share to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to insure you receive your payment.

Tax Matters. 10% of each Settlement Share is allocated to wages. Taxes are withheld from this amount, and each Participating Class Member will be issued an Internal Revenue Service Form W-2 for such payment. 90% of each Settlement Share is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld, and each Participating Class Member will be issued an Internal Revenue Service Form 1099 for such payment. In addition, no taxes will be withheld from the PAGA Penalties paid to PAGA Employees, and each PAGA Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendants' counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendants, Plaintiff and the Participating Class Members shall release all class claims alleged in the operative complaint which occurred during the Class Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Class Period. The Released PAGA Claims shall be released as follows. As of the Settlement Effective Date and upon funding in full of the Gross Settlement Amount by Defendants, all Aggrieved Employees shall release all Released PAGA Claims, irrespective of whether they opted-out of the class settlement, and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" means any all PAGA claims alleged in the operative complaint and Plaintiff's PAGA notice to the L WDA which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Defendants' records reflect that you have <<____>> Workweeks worked during the Class Period (June 29, 2017 to the earlier of March 26, 2022 or Preliminary Approval).

Based on this information, your estimated Settlement Share is <<____>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than _____ [forty-five (45) days after the Notice or re-mailed Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: _____. (800) _____.

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www._____.com

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will

be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the Net PAGA Amount.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is _____. The request for exclusion must state in substance: "I have read the Class Notice and I wish to opt out of the class action and settlement of the case *Vejar, et al., v. Fineline Woodworking, Inc., Case No. 30-2021-01208607-CU-OE-CXC*." The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which *Vejar, et al., v. Fineline Woodworking, Inc., Case No. 30-2021-01208607-CU-OE-CXC*. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than _____. The address for the Settlement Administrator is _____.

The addresses for the Parties' counsel are as follows:

Class Counsel:

Jean-Claude Lapuyade, Esq.
JCL Law Firm, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel.: (619) 599-8292
Fax: (619) 599-2891
E-Mail: jlapuyade@jcl-lawfirm.com

Class Counsel:

Shani O. Zakay, Esq.
Zakay Law Group, APLC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel: (619) 255-9047
Email: shani@zakaylaw.com
Website: www.zakaylaw.com

Counsel for Defendants:

Eoin L. Kreditor
Charles C. McKenna
Fitzgerald Yap Kreditor LLP
2 Park Plaza, Suite 850
Irvine, CA 92614
Tel.: (949) 788-8900
Fax : (949) 788-8980
E-Mail: ekreditor@fyklaw.com
cmckenna@fyklaw.com

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at **00:00 AM/PM on _____**, at the Orange County Superior Court, located at 751 W. Santa Ana Blvd., Santa Ana, CA 92701, before Judge Randall J. Sherman. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the

Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at _____ or write to ***Vejar, et al., v. Fineline Woodworking, Inc., Case No. 30-2021-01208607-CU-OE-CXC***, Settlement Administrator, c/o _____.

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by writing to JCL Law firm, APC, 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks to the Participating Class Members who cashed his or her Settlement Share check using the same work shift formula used for distribution of the Net Settlement Amount. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT B

Superior Court of California, County of Orange
Vejar v. Fineline Woodworking, Inc., et al
Orange County Superior Court Case No. 30-2021-01208607

REQUEST FOR EXCLUSION

Instructions: Please complete this Form ONLY IF YOU **DO NOT** WANT TO PARTICIPATE IN THE SETTLEMENT that is described in the Notice of Class Action Settlement that accompanies this Form. If you choose to complete this Form, the deadline for mailing it to the Settlement Administrator is [** INSERT DATE**].

I. **PERSONAL INFORMATION**

Name (first, middle and last): _____

Home Street Address: _____

City, State, Zip Code: _____

Home Telephone Number: (____) _____

Last 4 Digits of Social Security Number: _____

II. **REQUEST FOR EXCLUSION**

By signing and returning this Form, I certify that I wish to opt out of the settlement of the class action lawsuit entitled *Omar Vejar v. Fineline Woodworking, Inc., et al.*, Case No. 30-2021-01208607, filed in the Superior Court of California, County of Orange. I understand that by requesting to be excluded from the settlement, I will receive no money from the Settlement described in this Notice.”

III. **MAILING INSTRUCTIONS**

If you choose to return this Form, you must return it to the Settlement Administrator postmarked on or before [**INSERT DATE**] AT THE ADDRESS LISTED BELOW:

ILYM Group, Inc.
[INSERT ADDRESS]

IV. **PLEASE SIGN BELOW**

I declare that the foregoing is true and correct.

Dated: _____

(Signature)

(Print Name)

EXHIBIT 2